

# Work Session

<b>Agenda Item #</b>	1, 2, and 3
<b>Meeting Date</b>	May 26, 2005
<b>Prepared By</b>	Barbara B. Matthews City Manager
<b>Approved By</b>	

<b>Discussion Item</b>	Proposed Budget for FY06
<b>Background</b>	<p>The City's new fiscal year will commence on July 1, 2005. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager has prepared a proposed budget for consideration by the City Council.</p> <p>The proposed budget for FY06 accounts for the City's financial activities in four major funds or fiscal entities. They are the General Fund, the Storm Water Management Fund, the Special Revenue Funds, and the Community Center Fund.</p> <p>The City Council will hold a series of work sessions to discuss the proposed budget. The work session on May 26, 2005 will focus on the Recreation Department budget. The City Manager, in consultation with the Recreation Director, has identified a number of issues for discussion during the work session. These issues are addressed under separate cover. The City Council will also continue its discussion of the Community Center's usage and associated rental policies.</p> <p>Since submission of the proposed budget, staff has identified several areas where an adjustment in General Fund revenues is warranted based on further review or new information. Staff proposes that fund revenues be increased by \$110,625.</p> <p>As indicated during the discussion of the proposed budget for the Police Department on May 16, 2005, certain costs (including overtime for training and pay allowances for vehicles and uniforms) have historically been accounted for in the Office of the Chief. In actuality, the majority of these costs are attributable to activities in other departmental divisions. The City Manager recommends that the proposed budget be amended to reflect the proper distribution of operational costs.</p> <p>Furthermore, the proposed budget for FY06 includes \$149,000 for rental housing inspections by Montgomery County. After submission of the proposed budget to the City Council, Montgomery County advised the City that the fee for FY06 would be \$161,230. The need for additional monies for vehicle and uniform allowances for the Police Department was also identified since submission of the proposed budget. The net impact of these items is \$46,930. Staff previously distributed a preliminary reconciliation sheet reflecting the aforementioned changes to the proposed budget.</p> <p>On May 23, 2005, the City Council held a preliminary budget reconciliation to discuss other possible modifications to the proposed budget. Staff has prepared a list of the additional items suggested by various members of the City Council.</p> <p>During the work session, the City Council will also have further discussions about budget reconciliation items. A public hearing on the proposed budget will be held on May 31, 2005.</p>

<b>Policy</b>	In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager is charged with submission of a proposed budget for consideration of the City Council. Before adoption of the budget, the City Council shall hold at least one public hearing.
<b>Fiscal Impact</b>	As originally submitted to the City Council, the City Manager's proposed budget for FY06 provides for total expenditures of \$20,078,016. General Fund expenditures total \$16,987,226. Combined expenditures for the other funds (Storm Water Management, Special Revenue, and Community Center) equal \$3,090,790.
<b>Attachments</b>	<p>Staff previously provided the City Council with a binder containing information related to the FY06 proposed budget. The information contained therein will be discussed at the work session. Staff requests that Councilmembers bring their binders with them to the work session.</p> <p>New documents being provided to the City Council include the following:</p> <ul style="list-style-type: none"> <li>• Recreation Budget at a Glance</li> <li>• Memo dated May 23, 2005 from Recreation Director Debra Haiduven regarding budgetary and operational issues</li> <li>• Statistical information for the Takoma Park Recreation Department</li> <li>• Revenue history for the Takoma Park Recreation Department</li> <li>• Revenue and expenditure data for the Takoma Park Recreation Department</li> <li>• Proposed Takoma Park Community Center policies</li> <li>• Preliminary budget reconciliation dated May 19, 2005</li> <li>• List of proposed reconciliation items dated May 24, 2005</li> </ul>
<b>Recommendation</b>	Staff recommends that the City Council discuss the aforementioned budgetary items and provide direction to the City Manager relative to the proposed budget for the Recreation Department and any previously discussed budgetary areas. The City Council will also provide direction to staff concerning usage and rental of the Community Center.

## **RECREATION BUDGET AT A GLANCE**

- ❖ Budget breakdown (\$1,109,234)
  - Personnel costs = 73.9%
  - Supplies = 2.7%
  - Services and charges = 17.6%
  - Miscellaneous = 5.8%
  
- ❖ Overall budget increase of \$63,840 or 6.1% compared to FY05
  
- ❖ Primary area of cost increase
  - Personnel costs = \$73,540
  
- ❖ No change in non-seasonal FTE count

Date: May 23, 2005  
To: Barbara Matthews  
From: Debra Haiduven, Director of Recreation  
RE: Recreation Budget FY 06

Issues Facing the Recreation Department this year include the following:

\* Community Center Opening: There are many facets of operations to be implemented in phases over the FY 06 period. Building security, access, program development and scheduling are priorities for the recreation staff. Customer service and education of the new building layout will be a major focus for all departments. A reorganization of the Recreation Department is forthcoming to meet these new challenges. No new positions will be required, but staff responsibilities will shift to accommodate the new systems.

\* Transportation: The number of citizens served by the department continues to grow and it is anticipated to expand further in the next year. We are currently using one 15 passenger van which is dedicated to the Recreation Department to transport participants. The 7 passenger min-van is sometimes available and is used to transport seniors. Many programs, including the summer camp for middle school is limited to 13 because of this shortfall. Another vehicle is desperately needed. There is currently \$17,000 in the ERR, but a 2006 van will cost \$20,000 and we need an additional vehicle, not a replacement one. If a wheelchair lift is added to a van, it becomes 10 passenger and costs an additional \$15,000. This is not recommended at this time.

\*Policies for Partnerships: While developing policies for the new community center it has become evident that there are a variety of arrangements made between various local organizations and the City. Some of these partnerships were formed years ago with a handshake and need formalizing and consistency. For example, some youth sports organization enjoy advertising in the brochure, priority field use, permitting benefits under the umbrella of "co-sponsorship." These arrangements should be clearly defined and a discussion needs to take place if they are to be continued with current status.

\*Revenue Development: It is important to clarify the philosophy of the City Council as it relates to revenue producing programs. Lower income individuals and families (residents only) receive financial assistance through program subsidies and scholarships. Adult programs must break even. Senior programs are subsidized almost 100% of the time. Some children's programs are subsidized, some break even and some produce a surplus.

There are several options as it relates to improving revenues.

1. Increase volume of participation through marketing, word of mouth, new class offerings.
  2. Charge a higher non-resident fee. It is currently \$5-\$10.
  3. Charge a maintenance fee for the use of the fields. We budget \$44,000 annually for field maintenance for two fields and receive no revenue from the users.
  4. Raise all fees by a percentage. This carries some risk of pricing ourselves out of the market.
  5. Reduce the number of scholarships. This would be inconsistent with previous Council goals.
- Financial aid awarded in FY 05 YTD is \$12,663.

# **Takoma Park Recreation Department**

## **Statistics**

### **Individuals Registered for Recreation Department Programs (since January 04)**

Total Individuals 2,177  
Residents 1,152 - 53%  
Non-Residents 1,025 - 47%

### **Ward Breakdown - Percentage of Resident users**

Ward 1 17%  
Ward 2 16%  
Ward 3 21%  
Ward 4 16%  
Ward 5 9%  
Ward 6 22%

### **FY 05 YTD Statistics (July 2004 through May 15, 2005)**

#### **Program Participation**

Age of Participants  
0 to 4 - 82  
5 to 14 - 1891  
15 to Seniors- 534  
**Total "Hits" 2507**

#### **Senior Citizens**

Number of people enrolled on the Senior Mailing List 119  
Core group of senior participants 15  
Number of senior trips- 24

#### **Financial Aid**

Camps \$7,868  
Afternoon Addition \$4,700  
Other \$95  
Total Aid Dollars \$12,663  
Number of Recipients 35

#### **Type of Programs**

Number of instructional classes offered: 46 with 1,094 participants.  
Number of Camps: 8 with 672 participants.  
After School Programs held throughout school calendar year: 2 with 98 participants.  
Number of Sports/Clinics: 20 with 280 participants.  
Number of Trips: 12 with 363 participants.  
Number of TPRC Weight Room Memberships: 205. Open Gym Memberships: 64.

**Takoma Park Recreation Department  
Revenue History  
FY 01 - 04**

<b><u>Division</u></b>	<b>FY 01</b>	<b>FY 02</b>	<b>FY03</b>	<b>FY04</b>
Administration	\$ 815	\$14,640	\$21,580	\$29,818
Outreach	\$10,509	\$ 6,746	\$ 6,665	\$ 7,248
TP Recreation Center*	\$45,436	\$42,362	\$64,094	\$45,579
Community Programs	\$30,723	\$20,559	\$25,076	\$23,569
Facilities/Fields	\$ 6,155	\$ 7,325	\$ 5,570	\$ 5,995
Camps	\$29,664	\$41,233	\$38,843	\$45,930
After School Program	\$28,956	\$31,487	\$28,388	\$44,596
<b>TOTAL*</b>	<b>\$152,258</b>	<b>\$164,352</b>	<b>\$190,216</b>	<b>\$202,735</b>

\*Does not include \$100,000 reimbursement from Montgomery County

Prepared by Debra Haiduven 5/20/05

**Takoma Park Recreation Department  
Actual Revenues and Expenditures  
FY 03 - 04**

<b><u>Division</u></b>	<b>2003 Exp</b>	<b>2003 Rev</b>	<b>2004 Exp</b>	<b>2004 Rev</b>
Administration	299,198	21,580	335,412	29,818
Outreach	159,388	6,665	140,158	7,248
Recreation Center	157,498	64,094*	170,111	45,579*
Community Programs	64,488	25,076	76,135	23,569
Facilities	69,782	5,570	66,030	5,995
Camps	80,253	38,843	78,539	45,930
After-School Program	45,282	28,388	45,572	44,596
<b>Total</b>	<b>\$875,889</b>	<b>\$190,216*</b>	<b>\$911,957</b>	<b>\$202,735*</b>

\* Does not include \$100,000 reimbursement from Montgomery County



# Takoma Park Community Center

## **Policies**

May 26, 2005

Presenter: Debra Haiduven, Director of Recreation Department

## **Decision Points**

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- ✓Priority for facility use
- ✓Define community groups
- ✓Outline criteria for partnerships

Then:  
✓Set Rates



## **Priority of Use**

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1. Recreation Department Programs/Classes
2. Official Council/City Business
3. Community Groups
4. Renters

## **Definition of Community Group**

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Eligible for 12 free rentals/year

60% are Residents of Takoma Park  
and

Association or Group Sanctioned by Council  
and

Contribute to greater good of the community  
and

Not for personal or social purposes

Or

Approved by City Manager

## Partnerships

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- ☞ Must be mutually beneficial
- ☞ Serve Takoma Park citizens
- ☞ Scholarships are made available
- ☞ Must show proof of 501C3 status if applicable
- ☞ May need to provide periodic audits
- ☞ May involve payment
- ☞ Must establish an MOU with City

## Philosophy for Facility Use

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### **Community Use Focus**

**Highest priority of space for groups, youth, senior programs. Goal to serve primarily the Takoma Park community**

**OR**

### **Revenue Generation Focus**

Highest priority given to paying customers.  
Aggressive marketing of facility space for large events.  
Open longer hours. Permit alcohol in the building

## **Recommended Hourly Fee Categories**

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### Meeting/Conference Room

Resident \$25

Non-Resident \$35

Commercial \$55

### Multipurpose Room/Theater

Resident \$35

Non-Resident \$45

Commercial \$65

## **Prohibited Activities**

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Gambling, smoking.

Ongoing fee-based classes deemed to conflict with City offered programs.

Personal, profit motivated activity.

Activities open to the public that charge admission.  
Fundraiser activities need approval of City Manager.

## **Other Staff Recommendations**

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1. Allow light alcohol (beer and wine) to be served (not sold) with Montgomery County permit.
2. The public may reserve space three months in advance.
3. If kitchen is constructed, charge extra fee.
4. Charge for staff time if rented outside normal operating hours.
5. Implement hourly rental instead of daily.
6. Promote clear communication of rules and regulations to all users when they reserve space.
7. Revisit all policies within one year of implementation.
8. Amend City Code as needed.

**PROPOSED FY06 BUDGET  
GENERAL FUND EXPENDITURES  
PRELIMINARY RECONCILIATION  
MAY 19, 2005**

<u>Department</u>	<u>Division</u>	<u>Budget Unit</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Variance</u>
Housing & Comm. Dev.	Code Enforcement	Services and Charges	149,000	161,230	12,230
Police	Office of the Chief	Personnel Costs	361,137	227,437	(133,700)
Police	Office of the Chief	Supplies	12,500	14,500	2,000
Police	Communications	Personnel Costs	358,092	361,492	3,400
Police	Operations	Personnel Costs	2,608,609	2,754,709	146,100
Police	Operations	Services and Charges	0	2,000	2,000
Police	Criminal Investigations	Personnel Costs	630,655	646,155	15,500
Police	Criminal Investigations	Services and Charges	2,500	500	(2,000)
Police	Admin. Services	Personnel Costs	496,588	499,988	3,400
Police	Admin. Services	Supplies	35,500	33,500	(2,000)
<b>Total--Expenditures</b>					<b>\$46,930</b>

**PROPOSED FY06 BUDGET  
GENERAL FUND EXPENDITURES  
PROPOSED RECONCILIATION ITEMS  
MAY 24, 2005**

<u>Department</u>	<u>Item</u>	<u>Budget Impact</u>	<u>Proposed By</u>
Capital Outlay	Salt storage facility	(20,000)	Williams
Non-Departmental	Increase property tax rebate from 30% to 50%	0	Williams
Non-Departmental	Reallocation of funding for Film Festival Exec. Dir.	0	Austin-Lane, Williams
Police	Reduction of two police officer positions	(130,000)	Elrich
Non-Departmental	Translation services	5,000	Seamens
Non-Departmental	Manna Food Center contribution	10,000	Seamens
Housing & Comm. Dev.	City-administered subsidy program for needy families	200,000	Seamens
Police	CSAFE model for Old Town/Metro area	25,000	Austin-Lane
Non-Departmental	Street Smart Program	900	Porter
Capital Outlay	Streetlight installations in Ward 6	0	Barry
Capital Outlay	Sidewalk installation on Erskine Avenue	pending	Barry
		<b>90,900</b>	

*Notes:*

*The proposed budget includes \$50,000 for the property tax rebate program. Based on the City's experience in FY05, staff believes that this amount will likely support the increased property tax rebate percentage.*

*The proposed budget does not include designated funding for the Taste of Takoma. The \$2,000 proposed for the Film Festival Executive Director position would be taken from the general allocation for community festivals, etc.*

*The CIP includes \$20,000 for new streetlight installations. The reconciliation assumes that the designated locations in Ward 6 would be given priority consideration and, as a result, there would be no impact on the proposed budget.*